
From: loisburlei@aol.com [mailto:loisburlei@aol.com]
Sent: Wednesday, February 03, 2010 10:19 PM
To: EBSA, E-ORI - EBSA
Subject: Comment on annuitization of 401-K assets. RIN 1210-AB33

Gentlemen;

I am writing to express opposition to any requirement that 401-K assets or IRA assets be required to invest in annuities.

13. Should some form of lifetime income distribution option be required for defined contribution plans (in addition to money purchase pension plans)? If so, **should that option be the default distribution option**, and should it apply to the entire account balance? To what extent would such a requirement encourage or discourage plan sponsorship?

Annuities suffer from several serious problems:

1. They are exposed to the ravages of inflation.
2. They generally carry extremely high fees.
3. They depend on the financial strength of one issuing company - and, if that company fails, to inadequate state guaranty funds.
4. If the Federal government requires investors to purchase annuities, is it proposing to be the financial guarantor of the issuing companies? If so, this creates another huge Federal liability at a time when we cannot afford yet another Federal bailout plan.

In contrast, a well diversified portfolio of stocks, bonds and real estate stands a much better likelihood of providing an adequate income stream over a retiree's life time.

I am a retired Chartered Financial Analyst, and would not consider owning an annuity.

Lois W. Burleigh, CFA